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SUBJECT: Chalabi's Provision of Services Committee - February 19

¶1. SUMMARY: The February 19th meeting for the Provision of Services Committee heard concerns, including fiscal, from the Baghdad Sheraton Hotel and the Babil Hotel. The Baghdad General Manager for the Ministry of Transportation was there to discuss bus shortages and transportation costs. For the second week in a row, the committee discussed power station security and importing fuel at international prices. Along those same lines, the Energy Fusion Cell presented a basic briefing to the committee. Finally, the committee reviewed several previous recommendations. END SUMMARY.

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Meeting Highlights
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¶2. Resulting from the hotel briefs, Dr. Chalabi will seek low interest loans through the Raffadin Bank to address hotel repairs. The committee will also send a letter to the Ministry of Interior (MoI) asking them to remove their security from the Babil Hotel which currently inhabits an entire floor, rent free. The hotel representatives complained of high utility rates and limited availability. The Ministry of Electricity (MoE) said they would not be responsible for interdictions, but would repair or maintain any electricity lines downed for other reasons. Dr. Chalabi offered to resolve this issue in a private session with the hotels.

¶3. Chalabi reviewed the I-ESC decision to create a battalion, under the direction of the Baghdad Operations Command (BOC), to protect threatened power stations. The committee will write a letter to the BOC granting access to power stations for the purpose of protecting them. The Deputy Minister of Electricity (DMoE) detailed a recent threat to staff in Taji, noting that power has since been restored. Dr. Chalabi suggested the local sheiks be engaged to minimize future threats. The committee will write a letter to the local Awakening Council and MoI, providing a report on the threat. (Note: A police report was made locally. End Note)

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Open for Business - Not Exactly
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¶4. Representatives from the Baghdad Sheraton Hotel and the Babil Hotel attended the Services Committee for the first time. Both relayed similar concerns; hotels in disrepair, labor shortages, inadequate funds to pay employee wages, guest shortages, security and unreliable electric and water services. The hotel managers requested a five year tax exemption and reduced utility rates. Dr. Chalabi did not address either suggestion, but did note that low interest loans may stimulate the hotel and tourism industry. Dr. Chalabi will write a letter to the PM to encourage the Raffadin Bank to offer such promotional loans. The Chairman also said that any state-owned hotels should be sold off to the private sector and that international firms should be welcome to take over management of the hotels. (Note: According to the committee, there are 49 state owned hotels and 51 privately held hotels. End Note)

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Getting Around Baghdad, Getting Around Iraq
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¶5. According to the General Manager (GM) of Transportation for the Ministry of Transportation, over one-third (1/3) of the ministry's bus fleet has been stolen since the start of the war. (Note: The GM said that the buses were stolen and taken to neighboring countries; however, we have heard reports that the buses were stolen by former drivers and are still in Iraq. End Note) Despite a smaller fleet, the staffing levels have remained steady at approximately 6,000 people. Explaining this, the GM says that he is "required to take on employees who were fired from other ministries, but have "political connections". The GM particularly noted that college students are squeezed in this transportation shortage and have difficulty affording taxis to get to and from classes. The GM claims that 250 buses are needed immediately to meet student needs. Dr Chalabi told the GM to write a memo to the committee explaining how much students pay for transportation, what the costs of the additional buses will be and what benefits the buses will bring.

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Other Issues
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¶6. In addition to sharing the I-ESC development, Dr. Chalabi also noted that the Russafa and Karkh commands are studying which electrical control stations need to be protected.

¶7. Dr. Chalabi questioned the Deputy Minister of Health about the previous recommendation to pay doctors overtime. According to the DM, the money has still not gone through. (Note: The committee passed this resolution October 25. End Note) Dr. Chalabi will again raise this issue with the PM.

¶8. The Ministry of Oil (MoO) delivered a written report on threats and attacks at gas stations which he states are overwhelmed by militias. The DM noted the ministries reticence to sell fuel to

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these stations. Dr. Chalabi suggested auctioning the fuel, but the DM of Oil retorted that the gas stations should be sold to the private sector and not be state owned. Also regarding oil, Dr. Chalabi intends to send a letter to all ministries to inform and encourage them to import their own fuel at the international market price rather than through SOMO.

¶9. The BOC handed out a list of approved street openings throughout Baghdad. (Note: At last week's meeting, the Amanat distributed a list of streets that they wanted re-opened due to improved security. The BOC was to review the list for this week's meeting. End Note) The BOC also reported that the checkpoint of concern in Abu Ghraib was handed over to the Abu Ghraib police. (Note: Abu Ghraib representatives attended the 11/27 meeting and requested a checkpoint be moved. The BOC said the checkpoint could not be moved or eliminated. As a compromise they handed it over to the local police. End Note)

¶10. The Energy Fusion Cell presented an overview of their mission and operations. This included a shift from past efforts primarily on coordination for security of infrastructure and repairs to one of supporting an Iraq National Energy Policy. They are working with the Ministries of Oil and Electricity to understand the mutually supportive relationships.

Crocker